

REGULAR MEETING  
BELMONT REDEVELOPMENT AGENCY

Tuesday, September 10, 2002

**CALL TO ORDER 7:31 P.M.**

**ROLL CALL**

Directors Present: Metropulos, Cook, Wright, Bauer, Warden

Directors Absent: None

Staff Present: Executive Director Kersnar, Agency Attorney Savaree,  
Recording Secretary Kern

**PUBLIC/DIRECTORS COMMENTS**

Chair Warden invited comments on anything not on the Redevelopment Agency Agenda. There was no response.

**CONSENT CALENDAR**

Chair Warden announced and explained the Consent Calendar and invited removal of any item not on the agenda for separate consideration. There was no response to this invitation. Moved by D.Metropulos, seconded by D Wright, and approved unanimously, by show of hand to adopt:

**MINUTES APPROVED ON CONSENT CALENDAR**

Approval of Minutes: August 13, 2002.

**WARRANTS APPROVED ON CONSENT CALENDAR**

Approval of Warrants dated August 23 in total amount of \$425.68.

**End of Consent Calendar Items**

**ADDITIONAL BUSINESS**

**Discussion and direction regarding an amendment to the Resale Restriction Agreement between the Redevelopment Agency and participating units in the Sterling Point Condominium Development .**

Associate Planner Swan explained that in 1992, seven units in the Sterling Point condominium development were offered to moderate-income buyers, who were required to record resale restriction documents in order to qualify. She said the current owners were requesting an amendment to this agreement to allow four modifications: 1). The owners would like the language on all seven-resale restriction agreements to be consistent: 2). Request that the unit valuation be modified from 2% per year to 20% less than current market rate: 3). Request that the term of the loan be adjusted from 47 years to 10 years; and 4). Removal of limits to capital improvements within the units.

Associate Planner Swan explained that staff was recommending that the Redevelopment Agency allow an increase in unit value to 3% which was consistent with neighboring jurisdictions. She said this would be retroactive to the date of the initial resale restriction contract.

Staff was recommending a 45-year affordability restriction instead of 47 years, which would be consistent with current Redevelopment Law.

Associate Planner Swan stated that staff proposes to develop standard procedures to authorize capital improvements and to make this review less subjective. These would be presented at a later date.

In response to D. Wright, Associate Planner Swan explained that the current Redevelopment Agency Law called for a 45-year restriction.

In response to D. Bauer, Associate Planner Swan stated that the 3% increase vs. the 20% the property owners would like, does have an impact on the Agency. It affects how much the Agency can loan, and how much profit the owners would make.

Associate Planner Swan stated that she was recommending the 3% retroactive increase, to bring the program into alignment with current practice. She noted that this was a Redevelopment Agency policy decision, but she pointed out that the current Home Loan Program was at 3%.

In response to D. Cook, Agency Attorney Savaree stated that if the policy was changed to 3% retroactive, there would not be a problem with the owners who had already sold their properties.

**Ms. Pelzman**, 935 Old County Road, #21, requested that the Directors table this item until the owners had a chance to read the staff recommendation and make amendments to the information provided. She said they did not agree with the recommendation for an increase to 3%,

because it would keep the units at a Below Market rate. She stated that the income levels that were used when they applied for this program are now considered low, low income, which would make this project a low income project, not a Below Market project. She said at the current rate they could only sell their units at \$225,000, which was at the low, low market rate, which was unacceptable to any of the seven owners.

Executive Director Kersnar explained that the Redevelopment Agency Board was under no obligation to do anything. He said these agreements would stand as written.

In response to D. Metropulos, Associate Planner Swan stated that there had been meetings with the seven owners, but because it was a policy decision, she had not volunteered any information about her recommendation, because it was up to the Board to decide.

Executive Director Kersnar stated that these negotiations did not fall under the Closed Session formula, so staff has collected the information and is now asking the Board for direction to proceed. He said based on the discussion, a decision may not be made this evening.

In response to D. Cook, Associate Planner Swan stated that once they qualified, and the contracts were drawn with the 3% valuation, no other tracking was done. She said the current income level is not a factor in continued participation in the program. She said new buyers need to meet the moderate income or below criteria. She said that was the reason for the resale restriction, to keep the property valuation low to guarantee new owners the opportunity to qualify.

D. Bauer stated that he would like to table this item so that the research could be completed on what the moderate-income level is currently, and see how much more or less these units are worth.

D. Wright stated that the reason he would like to table this would be so that the participants could have a chance to discuss these issues. He said this was a policy decision for the Board and he didn't think there would any further information forthcoming.

Executive Director Kersnar cautioned the Directors to be careful when deciding on the percentage, because they did not want to be higher than the market.

D. Metropulos stated that the only compelling reason to table this item would be to allow the owners time to meet and talk about the issues.

D. Bauer stated that he would like to structure this so that going forward it would give the property owners a proportionate increase relative to what could be offered today.

D. Wright stated that if the goal of the program was to have a low-moderate program that people can enter, and it may feel unfair, but if they were allowed the 20% valuation the City would no longer have a program once people sell their house. He said this was a policy issue the Directors must work through.

D. Warden stated that these owners signed an agreement that stated the valuation would go up 2% a year. He said he was willing to look at a modest increase, but would not support a 20% increase.

**Action:** on motion by D. Bauer, and seconded by D. Wright to continue this item and directed staff to meet with the property owners to discuss the recommendations.

**Discussion and direction regarding amendment to the existing Police Officer Residential Down Payment Assistance Program.**

Associate Planner Swan reviewed this \$100,000 Low and Moderate Income Fund Program, which currently has one participant. She noted that the two other participants had left the City. She said the Police Department used this program as a hiring tool and requested a more flexible system.

Associate Planner Swan reviewed the four options and explained that staff recommended the option that would allow use of the General Redevelopment Agency Fund pool, no income qualification requirement, but retain the location restriction.

In response to C. Warden, Ms. Swan stated that the Agency has loaned \$275,000 for three loans.

Executive Director Kersnar stated that the Directors should decide on how much funding to escrow, and have it available on a first come, first serve basis.

D. Warden stated that he could support staff's recommendation, but he thought it should have a cap of \$300,000 over 10 years.

**Action:** on motion by D. Cook, seconded by D. Warden, and approved unanimously, by show of hands, to direct staff to return with amendments to the program rules under option 1(b). which would allow access of general

Redevelopment Agency Funds, remove income restriction, but retain the location limitation and other provisions of the existing program.

**ADJOURNMENT** at this time being 8:10 P.M.

George Metropulos

Agency Secretary Pro Tem

Meeting tape recorded and video taped

Tape No. 533